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Consumer Price Index, Houston-Galveston-Brazoria – October 2014

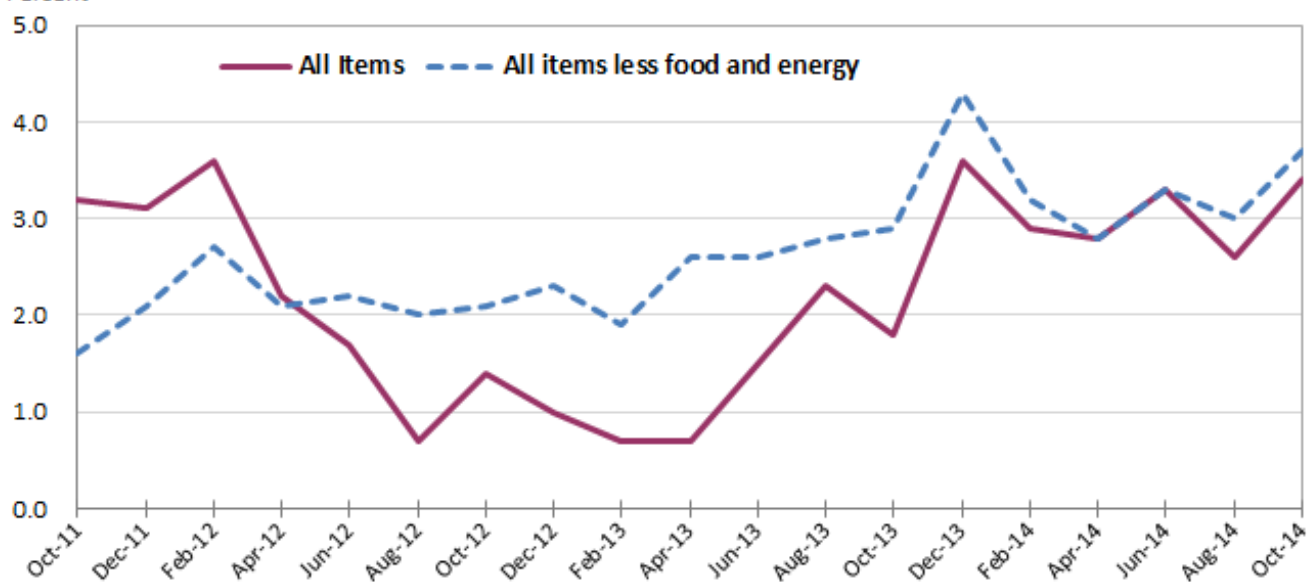
Area prices rise 0.3 percent during two-month period, up 3.4 percent over the year

The Consumer Price Index for All Urban Consumers (CPI-U) in the Houston area rose 0.3 percent in September and October, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Stanley W. Suchman noted that this followed a decrease of 0.3 percent in July and August. During the latest period, higher prices for all items less food and energy (0.9 percent) and for food (0.7 percent) were partially offset by lower prices for energy (-4.9 percent). (Data in this report are not seasonally adjusted. Accordingly, short-term changes may reflect the impact of seasonal influences.)

During the 12 months ended in October 2014, the all items CPI-U advanced 3.4 percent. Prices for all items less food and energy rose at a 3.7-percent pace. (See [chart 1.](#))

Chart 1. Over-the-year percent change in CPI-U, Houston-Galveston-Brazoria, October 2011–October 2014

Percent



Source: U.S. Bureau of Labor Statistics.

Food

Food prices rose 0.7 percent in September and October, following a 0.4-percent increase in July and August. Among the two components of the index, prices for food at home (grocery stores) advanced 1.0 percent while prices for food away from home edged up 0.2 percent.

From October 2013 to October 2014, the food index advanced 2.8 percent, reflecting the combined effects of a 3.3-percent price rise at grocery stores and a 2.2-percent price rise for food away from home.

Energy

The energy index fell 4.9 percent in September and October, after registering a 5.6-percent decline in July and August. The latest decline was entirely due to a drop in the motor fuel index as gasoline costs fell 8.8 percent. In contrast, electricity prices rose 1.6 percent during the period. Natural gas costs were unchanged during the period.

Over the year, the energy index rose 1.7 percent. Higher prices for electricity, up 9.8 percent, were partially offset by lower prices for gasoline and natural gas, down 1.6 and 2.9 percent, respectively.

All items less food and energy

The index for all items less food and energy rose 0.9 percent in September and October, after rising 0.3 percent in July and August. An 8.1-percent advance in apparel prices had the greatest impact on the current increase. Other large contributors included higher prices for recreation, and household furnishings and operations, up 1.3 and 1.2 percent, respectively. Smaller rates of increase were registered for several major categories, including education and communication, other goods and services, and medical care.

During the year ended in October 2014, the index for all items less food and energy rose 3.7 percent. The leading factors in the annual advance were higher costs for shelter and apparel, up 4.0 and 20.5 percent, respectively. Recreation was the only major category within the all items less food and energy index to register a decline as prices dipped 0.2 percent over the year.

The December 2014 Consumer Price Index for All Items for Houston-Galveston-Brazoria will be released on January 16, 2015.

Technical Note

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 88 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 29 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living.

Each month, prices are collected in 87 urban areas across the country from about 4,000 housing units and approximately 26,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details, see the CPI home page on the Internet at www.bls.gov/cpi and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at www.bls.gov/opub/hom/homch17_a.htm.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. NOTE: **Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

The **Houston-Galveston-Brazoria, Texas, Consolidated Metropolitan Statistical Area (CMSA)** includes Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller Counties.

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Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Houston-Galveston-Brazoria, TX (1982-84=100 unless otherwise noted)

Item and Group	Indexes				Percent change from -		
	Historical data	Aug. 2014	Sep. 2014	Oct. 2014	Oct. 2013	Aug. 2014	Sep. 2014
All items		214.102		214.791	3.4	0.3	
All items (1967 = 100)		686.703		688.912			
Food and beverages		220.331		221.839	2.7	0.7	
Food		220.262		221.706	2.8	0.7	
Food at home		222.065	221.898	224.345	3.3	1.0	1.1
Food away from home		213.843		214.266	2.2	0.2	
Alcoholic beverages		211.323		213.729	0.8	1.1	
Housing		197.241		197.960	4.2	0.4	
Shelter		230.897	231.689	231.138	4.0	0.1	-0.2
Rent of primary residence ⁽¹⁾		219.813	221.502	221.527	4.0	0.8	0.0
Owners' equivalent rent of residences ^{(1) (2)} ..		213.391	213.809	213.904	3.4	0.2	0.0
Owners' equivalent rent of primary residence ^{(1) (2)}		213.391	213.809	213.904	3.4	0.2	0.0
Fuels and utilities		172.536		174.489	6.4	1.1	
Household energy		158.456	162.755	160.521	7.4	1.3	-1.4
Energy services ^{(1) (3)}		155.467	159.726	157.542	7.5	1.3	-1.4
Electricity ⁽¹⁾		155.472	160.575	157.951	9.8	1.6	-1.6
Utility (piped) gas service ⁽¹⁾		142.895	142.916	142.941	-2.9	0.0	0.0
Household furnishings and operations		121.213		122.678	3.4	1.2	
Apparel		187.218		202.332	20.5	8.1	
Transportation		191.459		187.543	0.9	-2.0	
Private transportation		190.113		185.978	0.7	-2.2	
Motor fuel		294.657	284.433	269.669	-1.7	-8.5	-5.2
Gasoline (all types)		295.315	284.579	269.304	-1.6	-8.8	-5.4
Gasoline, unleaded regular ⁽⁴⁾		304.706	293.428	277.012	-1.9	-9.1	-5.6
Gasoline, unleaded midgrade ^{(4) (5)}		301.424	290.610	276.724	-0.8	-8.2	-4.8
Gasoline, unleaded premium ⁽⁴⁾		289.938	280.761	269.363	0.0	-7.1	-4.1
Medical care		433.026		434.273	1.6	0.3	

Note: See footnotes at end of table.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Houston-Galveston-Brazoria, TX (1982-84=100 unless otherwise noted) - Continued

Item and Group	Indexes				Percent change from -		
	Historical data	Aug. 2014	Sep. 2014	Oct. 2014	Oct. 2013	Aug. 2014	Sep. 2014
Recreation ⁽⁶⁾		105.270		106.633	-0.2	1.3	
Education and communication ⁽⁶⁾		122.633		123.296	1.1	0.5	
Other goods and services		381.850		385.347	4.4	0.9	
COMMODITY AND SERVICE GROUP							
Commodities		181.871		181.716	2.8	-0.1	
Commodities less food and beverages		161.454		160.637	2.9	-0.5	
Nondurables less food and beverages		224.861		222.312	4.6	-1.1	
Durables		105.208		105.609	-0.3	0.4	
Services		247.844		249.389	3.8	0.6	
SPECIAL AGGREGATE INDEXES							

Note: See footnotes at end of table.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Houston-Galveston-Brazoria, TX (1982-84=100 unless otherwise noted) - Continued

Item and Group	Indexes				Percent change from -		
	Historical data	Aug. 2014	Sep. 2014	Oct. 2014	Oct. 2013	Aug. 2014	Sep. 2014
All items less shelter		207.647		208.499	3.1	0.4	
All items less medical care		203.034		203.692	3.5	0.3	
Commodities less food		163.471		162.729	2.8	-0.5	
Nondurables		223.469		222.896	3.7	-0.3	
Nondurables less food		223.965		221.695	4.4	-1.0	
Services less rent of shelter ⁽²⁾		264.640		267.620	3.8	1.1	
Services less medical care services		229.124		230.556	3.9	0.6	
Energy		222.727	220.021	211.786	1.7	-4.9	-3.7
All items less energy		215.746		217.660	3.6	0.9	
All items less food and energy		214.798		216.796	3.7	0.9	

⁽¹⁾ This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

⁽²⁾ Indexes on a December 1982=100 base.

⁽³⁾ Prior to January 2011 this series was titled Gas (piped) and electricity.

⁽⁴⁾ Special index based on a substantially smaller sample.

⁽⁵⁾ Indexes on a December 1993=100 base.

⁽⁶⁾ Indexes on a December 1997=100 base.